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May 24, 2004

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When calling relative to this
matter, refer to file No. 1187.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Hosston Zone, Reservoir A
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Zone, Reservoir A
Elm Grove Field
Caddo and Bossier Parishes, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Zone, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize one additional alternate unit well on HOSS RA SU33, CV RA SU33 and LCV RA SUD at the exceptional location in Section 17-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats;
2. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on HOSS RA SU34, CV RA SU34 and LCV RA SUC at the exceptional locations in Section 16-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats;

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3. To authorize KCS Resources, Inc. to designate and utilize an existing well (the Elm Grove Plantation No. 8 Well) as an additional alternate unit well on CV RA SU34 at the location in Section 16-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plat;
4. To authorize the unit allowable for these Hosston Zone, Reservoir A, Cotton Valley Formation, Reservoir A, and Lower Cotton Valley Zone, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator; and
5. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, initially identified as the Hosston Zone, was defined in Office of Conservation Order No. 361-A-1, effective on and after October 1, 1972, and was further defined, and identified as the Hosston Formation, Reservoir A, in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective on and after October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective on and after July 16, 1996.

The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Kelly Byram, 416 Travis Street, Suite 804, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

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Commissioner of Conservation

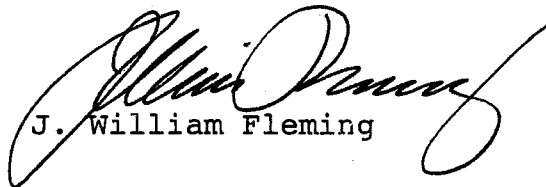
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The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search. A copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

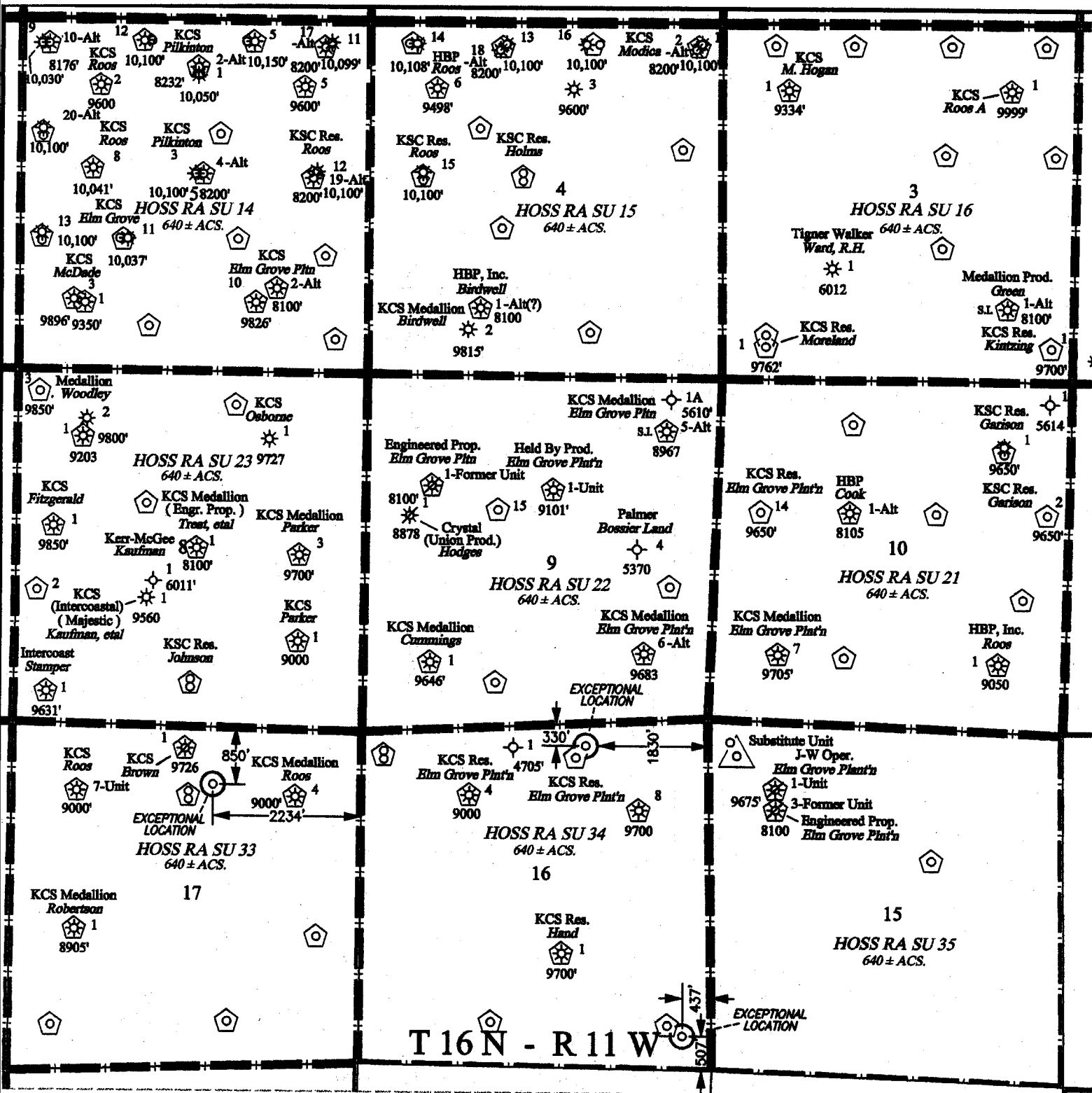


J. William Fleming

jwf:s

Enclosures


cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties



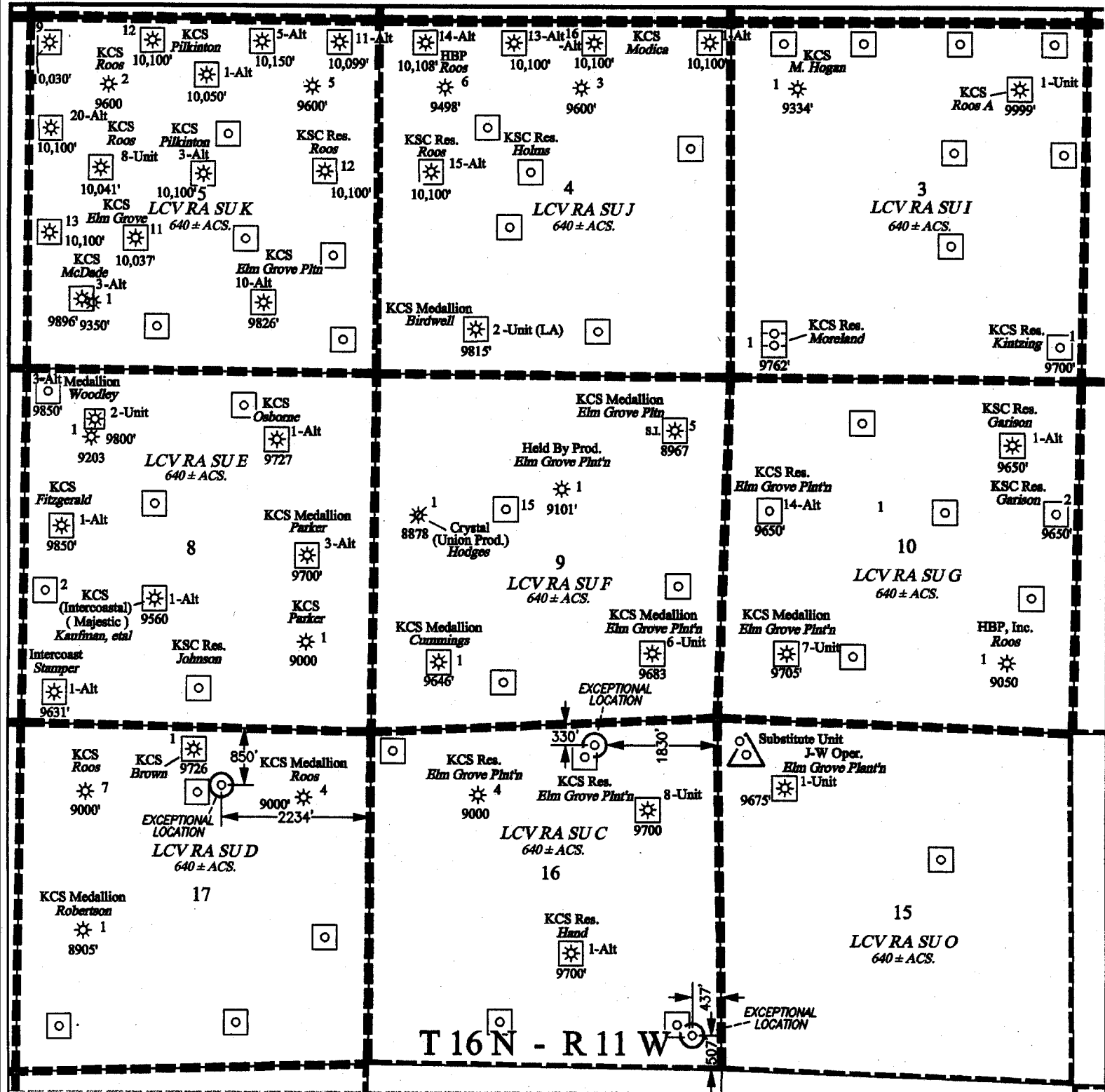
KCS RESOURCES, INC.
TULSA, OKLAHOMA

ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

**PROPOSED ADDITIONAL ALTERNATE UNIT WELLS
FOR HOSSTON RESERVOIR A SAND UNITS 33 & 34**

-  :PROPOSED ADDITIONAL ALTERNATE UNIT WELLS FOR HOSS RA SU's 33 & 34
-  :APPROVED SUBSTITUTE UNIT WELL FOR HOSS RA
-  :EXISTING HOSSTON RA SU UNIT AND ALTERNATE UNIT WELLS
-  :APPROVED UNDRILLED HOSSTON RA SU ALTERNATE UNIT WELLS
-  :EXISTING HOSSTON RESERVOIR A SAND UNITS

0' 1000' 2000' 3000' 4000'



KCS RESOURCES, INC.
TULSA, OKLAHOMA

ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

**PROPOSED ADDITIONAL ALTERNATE UNIT WELLS
FOR LOWER COTTON VALLEY RESERVOIR A SAND UNITS C & D**

- | | | | |
|---|--|--|---|
| | : PROPOSED ADDITIONAL ALTERNATE UNIT WELLS FOR LCV RA SU's C & D | | : EXISTING LOWER COTTON VALLEY RA SU UNIT AND ALTERNATE UNIT WELLS |
| | : APPROVED SUBSTITUTE UNIT WELL FOR LCV RA | | : APPROVED UNDRILLED LOWER COTTON VALLEY RA SU ALTERNATE UNIT WELLS |
| ----- : EXISTING LOWER COTTON VALLEY RESERVOIR A SAND UNITS | | | |

0' 1000' 2000' 3000' 4000'